

1 ROBERT S. MUELLER, III (CASBN 59775)  
2 United States Attorney

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6 RICHARD W. WIEKING  
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9 SEaled  
10 COURT ORDER

11 UNITED STATES DISTRICT COURT  
12 NORTHERN DISTRICT OF CALIFORNIA  
13 SAN FRANCISCO DIVISION

CR-01 - 0025

VRW

14 UNITED STATES OF AMERICA,

15 Plaintiff,

16 v.

17 F. THOMAS ECK, III and  
18 ZAHRA R. GILAK,

19 Defendants.

No.

20 VIOLATIONS: 18 U.S.C. § 371 --  
21 Conspiracy to Commit Securities Fraud;  
22 Securities Fraud, 15 U.S.C. § 78; 18 U.S.C.  
23 § 1956(a)(1)–Money Laundering; 18 U.S.C.  
24 § 1956(h)–Conspiracy to Commit Money  
25 Laundering; 18 U.S.C. § 2–Aiding and  
26 Abetting; 18 U.S.C. § 982 – Criminal  
27 Forfeiture

28 SAN FRANCISCO VENUE

INDICTMENT

The Grand Jury charges:

I. BACKGROUND

A. The Defendants

1. The defendant F. THOMAS ECK, III was formerly an attorney admitted to practice in California and Nevada. ECK's California law office was located at 1750 First Street, Napa, California. His Nevada office was at 1325 Airmotive Way, Suite J, Reno, Nevada. In 2000, following a federal criminal wire fraud conviction, ECK resigned from the bars of both states.

2. The defendant ZAHRA R. GILAK was employed by ECK in his California and Nevada

INDICTMENT

1 law offices. In January 2001, GILAK and ECK were married, and they currently live together  
2 in a home in Penngrove, California.

3 B. The Scheme to Defraud

4 3. Between approximately February 1999 and January 2001, the defendants ECK, GILAK,  
5 and others, devised and implemented a scheme to defraud others and to earn large amounts of  
6 money by manipulating the share prices of the stocks of at least three publicly traded companies.

7 4. Each stock manipulation was a "pump and dump" scheme. In each pump and dump  
8 manipulation, ECK, GILAK, and others gained concealed control over most of the outstanding  
9 shares of a publicly traded company. They and others then launched a promotional campaign  
10 designed to generate artificial investor demand for the company's stock. Once demand was  
11 generated, ECK GILAK, and others arranged to sell shares under their control to the investing  
12 public. As they sold stock, GILAK, ECK, and others transferred stock sale proceeds to  
13 themselves, family members, and third parties. In all, GILAK, ECK, and others earned more  
14 than \$15.4 million from the manipulation scheme.

15 C. The Companies

16 5. The shares of the following publicly-traded companies were the subject of the  
17 defendants' manipulation scheme:

18 a. M&A West, Inc. ("MAWI") was a publicly traded company headquartered in San  
19 Bruno, CA. MAWI purported to be an "Internet incubator" that identified and nurtured start-up  
20 companies in the Internet sector. In fact, when it became public in 1999, more than 80% of  
21 MAWI's outstanding publicly tradeable shares were controlled by ECK, GILAK, and others.  
22 As a result of the manipulation scheme, MAWI's share price reached an intra-day high of \$27.75  
23 on December 29, 1999.

24 b. VirtualLender.com ("VLDC") was a MAWI subsidiary that purported to be in the online  
25 mortgage business. When VLDC became public in February 1999, more than 80% of its shares  
26 were controlled ECK, GILAK and others. As a result of the manipulation scheme, VLDC's  
27 share price reached an intra-day high of \$29 on April 14, 1999.

28 c. Digital Bridge, Inc. ("DGBI") was a MAWI subsidiary that purported to be engaged in

1 website development. When DGBI became public in January 2000, more than 80% of its  
2 shares were controlled by ECK, GILAK and others. As a result of manipulation scheme,  
3 DGBI's share price reached an intra-day high of \$12.25 on February 22, 2000.

4 6. MAWI, VLDC, and DGBI were listed on a national securities market, namely, the Over-  
5 the-Counter Bulletin Board ("OTCBB"). The OTCBB is an electronic market in which  
6 securities transactions are conducted through a telephone and computer network, rather than on  
7 the floor of an exchange.

8 COUNT ONE: (18 U.S.C. § 371-Conspiracy to Commit Securities Fraud)

9 7. The factual allegations of paragraphs One through Six are realleged as if fully set forth  
10 here.

11 8. In or about and between February 1999 and January 2001, both dates being approximate  
12 and inclusive, in the Northern District of California and elsewhere, the defendants

13 F. THOMAS ECK, III and  
14 ZAHRA R. GILAK,

15 and others, did knowingly and wilfully conspire to use and employ manipulative and deceptive  
16 devices and contrivances and directly and indirectly (i) employ devices, schemes, and artifices to  
17 defraud; (ii) make untrue statements of material fact and omit to state material facts necessary in  
18 order to make the statements made, in light of the circumstances under which they were made,  
19 not misleading; and (iii) engage in acts, practices, and courses of business which would and did  
20 operate as a fraud and deceit upon the investing public, in connection with purchases and sales of  
21 the stock of MAWI, VLDC, and DGBI, by use of instruments of communication in interstate  
22 commerce and the mails, in violation of Title 15, United States Code, Section 78j(b) and Title  
23 17, Code of Federal Regulations, Section 240.10b-5.

24 9. It was part of the conspiracy that ECK and others gained control over corporations that  
25 were not publicly traded. ECK then arranged with individuals known as "shell brokers" to  
26 identify inactive shell corporations that had previously issued stock to the public and were  
27 available for purchase.

28 10. It was further part of the conspiracy that ECK and others arranged "reverse mergers", in  
which the private corporations under their control purchased the inactive shell corporations. By

1 undergoing a reverse merger with a public shell, the private company converted itself into a  
2 public company. As a public company, the new entity was able to issue stock to the public.

3 11. It was further part of the conspiracy that, following a reverse merger, ECK, GILAK, and  
4 others arranged for the new public company to issue the majority of its stock, free of charge, to  
5 various nominee entities and individuals (the "Nominees"). The Nominees included numerous  
6 domestic and offshore corporations under the control of ECK, GILAK and others, as well as  
7 their friends and family members.

8 12. It was further part of the conspiracy that ECK, GILAK, and others arranged for  
9 brokerage accounts to be opened in the names of the Nominees. Nominee accounts were opened  
10 at various firms, including, among others: North Coast Securities Corp. and First Security Van  
11 Kasper, both located in San Francisco, J. Alexander Securities, located in Los Angeles,  
12 Prudential Securities, located in Reno, Nevada, and Union Securities, located in Vancouver,  
13 British Columbia, Canada.

14 13. It was further part of the conspiracy that its members engaged in promotional efforts  
15 designed to generate investor demand for MAWI, VLDC and DGBI stock. Those promotional  
16 efforts included the issuance of false and misleading corporate press releases, false and  
17 misleading Internet postings, stock and cash payoffs to professional stock promoters, and  
18 payoffs to "securities analysts" in return for favorable research reports recommending the stocks  
19 to investors.

20 14. It was further part of the conspiracy that GILAK and others generated artificial investor  
21 demand for MAWI, VLDC and DGBI stock by orchestrating trading activity in the Nominee  
22 brokerage accounts under their control. This activity made it appear that investor demand for a  
23 stock existed when, in fact, many of the purchases and sales were by or between the Nominee  
24 accounts.

25 15. It was further part of the conspiracy that, in order to make MAWI stock more attractive  
26 to potential investors, GILAK and others entered into sham transactions with MAWI, so that it  
27 could publicly report increased revenues, both in its financial filings with the SEC and in press  
28 releases.

1 16. It was further part of the conspiracy that, as investor demand for MAWI, VLDC and  
2 DGBI stock developed, ECK, GILAK, and others arranged to fill that demand by having  
3 Nominees sell shares of stock from their brokerage accounts, at or near the prevailing market  
4 price.

5 17. It was further part of the conspiracy that, following sales of stock by the Nominees,  
6 ECK, GILAK, and others directed that sale proceeds be transferred to themselves, their family  
7 members, and various other entities and individuals. In all, sales of stock from Nominee  
8 accounts generated more than \$15.4 million in proceeds.

9 18. In furtherance of the conspiracy and to effect the objects thereof, within the Northern  
10 District of California and elsewhere, the defendants ECK and GILAK, and others, did commit  
11 and cause to be committed the following overt acts, among others:

12 OVERT ACTS

13 a. On or about February 17, 1999, ECK sent a letter to Corporate Stock Transfer directing it  
14 to issue VLDC shares to various entities and individuals.

15 b. On or about March 1, 1999, GILAK opened a brokerage account at Union Securities in  
16 the name of "Realtec Ltd.", a British Virgin Islands corporation (the "Realtec Account").

17 c. On or about April 20, 1999, ECK sent a fax regarding the distribution of shares of MAWI  
18 stock.

19 d. On or about May 17, 1999, MAWI issued shares of common stock as follows: 720,000  
20 shares to Realtec, Ltd., one million shares to Global Capital Concepts, Inc., and 248,000 shares  
21 to Silverado Investments, Inc.

22 e. On or about June 3, 1999, 720,000 shares of MAWI stock were deposited in the Realtec  
23 Account.

24 f. In or about January 2000, GILAK incorporated Ninamir Funding, Inc. ("Ninamir") in  
25 Nevada.

26 g. On or about February 7, 2000, GILAK opened a brokerage account in the name of  
27 Ninamir at the San Francisco, California branch of First Security Van Kasper ("FSVK").

28 h. On or about February 9, 2000, MAWI and Ninamir executed an agreement purporting to

1 sell a MAWI subsidiary, Virtualwagering.com, to a European company for \$1.2 million.

2 i. On or about February 10, 2000, MAWI issued a press release announcing the sale of  
3 Virtualwagering.com for \$1.2 million.

4 j. On or about February 11, 2000, one million shares of DGBI stock were deposited in  
5 Ninamir's FSVK account.

6 k. On or about February 17, 2000, GILAK opened a brokerage account at Union Securities  
7 in the name of Prosper, Ltd., a British Virgin Islands corporation (the "Prosper Account").

8 All in violation of Title 18, United States Code, Section 371.  
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1 COUNT TWO: (15 U.S.C. §§ 78j(b) and 78ff–Securities Fraud; 18 U.S.C. § 2–Aiding and  
2 Abetting)

3 19. The factual allegations contained in paragraphs One through Six, and Eight through  
4 Eighteen, are realleged as if fully set forth here.

5 20. In or about and between February 1999 and January 2001, both dates being approximate  
6 and inclusive, in the Northern District of California and elsewhere, the defendants

7 F. THOMAS ECK, III and  
8 ZAHRA R. GILAK,

9 and others, did knowingly and wilfully use and employ manipulative and deceptive devices and  
10 contrivances and directly and indirectly (i) employ devices, schemes, and artifices to defraud; (ii)  
11 make untrue statements of material fact and omit to state material facts necessary in order to  
12 make the statements made, in light of the circumstances under which they were made, not  
13 misleading; and (iii) engage in acts, practices, and courses of business which would and did  
14 operate as a fraud and deceit upon the investing public, in connection with purchases and sales of  
15 the stock of MAWI, VLDC, and DGBI, by use of instruments of communication in interstate and  
16 foreign commerce and the mails, in violation of Title 15, United States Code, Sections 78j(b) and  
17 78ff, and Title 17, Code of Federal Regulations, Section 240.10b-5.

18 All in violation of 15 U.S.C. §§ 78j(b) and 78ff and 18 U.S.C. § 2.  
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1 COUNT THREE: (18 U.S.C. § 1956(h)—Conspiracy to Commit Money Laundering)

2 21. The factual allegations contained in paragraphs One through Six, and Eight through  
3 Eighteen, are realleged as if fully set forth here.

4 22. In or about and between at least February 1999 and November 2000, both dates being  
5 approximate and inclusive, within the Northern District of California and elsewhere, the  
6 defendants

7 F. THOMAS ECK, III and  
8 ZAHRA R. GILAK

9 and others, knowing that the property involved in financial transactions represented the proceeds  
10 of some form of unlawful activity, did knowingly and intentionally conspire to conduct and  
11 attempt to conduct financial transactions which in fact involved the proceeds of specified  
12 unlawful activity, namely, securities fraud, knowing that the transactions were designed in whole  
13 or in part to conceal and disguise the nature, location, source, ownership, and control of the  
14 proceeds, all in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

15 23. In furtherance of the conspiracy and to effect the objects thereof, within the Northern  
16 District of California and elsewhere, the defendants ECK and GILAK, and others, did commit  
17 and cause to be committed the following overt acts, among others:

18 OVERT ACTS

19 a. On or about February 12, 1999, GILAK directed a wire transfer of \$160,000 from an  
20 account at Prudential Securities in the name of Administrative Systems Corp. to an account at  
21 Redwood Bank in the name of F. Thomas Eck, III Ltd.

22 b. On or about April 20, 1999, GILAK directed a wire transfer of \$600,000 from an account  
23 at Prudential Securities in the name of Global Capital Concepts (the "GCC Prudential Account")  
24 to Royal Bank of Scotland, Jersey, Channel Islands, for the benefit of Realtec, Ltd.

25 c. On or about May 28, 1999, GILAK directed a wire transfer of \$247,512.59 from the  
26 GCC Prudential Account to Bank of America, for the benefit of Fidelity National Title Co. of  
27 California.

28 d. On or about July 9, 1999, GILAK directed a wire transfer of \$250,000 from the GCC  
Prudential Account to an account in the name of McCoy & West at Traditional Bank of



1 Kentucky, Lexington, KY.

2 e. On or about July 22, 1999, a \$250,000 check representing the funds referred to in the  
3 preceding paragraph was deposited with the Clerk of the Court, United States District Court for  
4 the Eastern District of Kentucky, to be paid as restitution to victims in the case of United States  
5 v. Thomas Eck, No. 98-92-S-2 (E.D. Ky.).

6 f. On or about December 13, 1999, GILAK directed a wire transfer of \$221,060.56 from the  
7 Realtec Account to Bank of America, for the benefit of Chicago Title Co.

8 g. On or about February 24, 2000, GILAK directed a wire transfer of \$10,000 from the  
9 Realtec Account to an account in the name of Neal & Harwell PLC Trust Account at Nations  
10 Bank of Tennessee.

11 h. On or about April 11, 2000, GILAK directed a wire transfer of \$186,855.54 from the  
12 Realtec Account to Bank of America, for the benefit of North Bay Title Co.

13 i. On or about April 11, 2000, GILAK directed a wire transfer of \$400,000 from the Realtec  
14 Account to Bank of America, for the benefit of North American Title Co.

15 j. On or about April 26, 2000, GILAK directed a wire transfer of \$350,000 from the Realtec  
16 Account to Bank of America, for the benefit of North Bay Title Co.

17 k. On or about November 6, 2000, GILAK directed a wire transfer of \$1,170,000 from the  
18 Realtec Account to Bank of America, for the benefit of North Bay Title Co.

19 All in violation of Title 18, United States Code, Section 1956(h).

20 COUNTS FOUR through SEVENTY: (18 U.S.C. §§ 1956(a)(1)(B)(i) and 2—Money Laundering,  
21 Aiding and Abetting)

22 24. The factual allegations contained in Paragraphs One through Six are realleged as if fully  
23 set forth here.

24 25. Sales of MAWI, VLDC and DGBI stock by GILAK, ECK and others generated total  
25 proceeds of more than \$15.4 million. GILAK and ECK directed the transfer of those proceeds to  
26 various entities and individuals, including: themselves, their friends and family members,  
27 attorneys representing ECK in his federal criminal wire fraud case, real estate title companies,  
28 jewelry stores, and others. In addition, GILAK and ECK used proceeds of the scheme to pay

partial restitution to victims in ECK's criminal case, thereby earning ECK a reduction in the length of his prison sentence.

26. Among other transactions, on or about the following dates, within the Northern District of California and elsewhere, the defendants described below, and others, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, did knowingly and intentionally conduct and attempt to conduct a financial transaction which in fact involved the proceeds of specified unlawful activity, namely, securities fraud, knowing that the transaction was designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds:

COUNT	DEFENDANT	DATE	AMOUNT	TRANSFERRED FROM	TRANSFERRED TO
4	ECK GILAK	2/12/99	\$160,000	Administrative Systems Corp. Account Prudential Securities	F. Thomas Eck, III Ltd. Redwood Bank Napa, CA
5	ECK GILAK	2/12/99	\$65,000	Estate Funding Inc. Account Prudential Securities	F. Thomas Eck, III Ltd. Redwood Bank Napa, CA
6	GILAK	4/20/99	\$600,000	Global Capital Concepts Account Prudential Securities	Royal Bank of Scotland Jersey, Channel Islands For benefit of ("FBO") Realtec, Ltd.
7	GILAK	5/28/99	\$247,512	Global Capital Concepts Account Prudential Securities	Bank of America FBO Fidelity National Title Co. of California in Trust for Global Capital Concepts
8	GILAK	6/1/99	\$46,393.93	Global Capital Concepts Account Prudential Securities	Imperial Bank FBO North American Title Co.
9	ECK GILAK	7/9/99	\$250,000	Global Capital Concepts Account Prudential Securities	Traditional Bank of Kentucky FBO McCoy & West
10	GILAK	7/12/99	\$300,000	Realtec Account Union Securities	Chase Manhattan Bank FBO Global Capital Concepts
11	GILAK	8/12/99	\$500,000	Realtec Account Union Securities	Bank of America Greenbrae, CA FBO Capital Preservation Strategies
12	ECK GILAK	8/30/99	\$200,000	Realtec Account Union Securities	CalFed San Bruno, CA FBO M&A West, Inc.

13	GILAK	10/7/99	\$100,000	Realtec Account Union Securities	Chase Manhattan Bank FBO Global Capital Concepts
14	GILAK	10/17/99	\$50,000	Realtec Account Union Securities	U.S. Bank of Nevada FBO Administrative Systems Co.
15	GILAK	12/10/99	\$9,697	Global Capital Concepts Account Prudential Securities	Wells Fargo Bank FBO Treasures by R.J.
16	GILAK	12/13/99	\$221,060.56	Realtec Account Union Securities	Bank of America Concord, CA FBO Chicago Title Co.
17	GILAK	12/16/99	\$35,000	Realtec Account Union Securities	Bank of the West, Napa CA FBO Zahra Gilak
18	GILAK	1/10/00	\$38,837.52	Realtec Account Union Securities	Exchange Bank (Sonoma Branch) FBO State Bar of California Legal Services Trust Fund Account/Gregory B. Orton, Trustee
19	GILAK	1/10/00	\$15,000	Realtec Account Union Securities	Bank of the West, Napa CA FBO Zahra Gilak
20	GILAK	1/19/00	\$20,420	Global Capital Concepts Account Prudential Securities	Southern California Bank FBO Cadden Fuller & Burkhalter LLP
21	GILAK	2/2/00	\$21,107.56	Realtec Account Union Securities	Exchange Bank (Sonoma Branch) FBO State Bar of California Legal Services Trust Fund Account/Gregory B. Orton, Trustee
22	GILAK	2/8/00	\$140,000	Realtec Account Union Securities	Bank of New York FBO Aaron Lang
23	GILAK	2/11/00	\$125,000	Realtec Account Union Securities	Bank of the West FBO Mojtaba Karimabadi
24	ECK GILAK	2/24/00	\$10,000	Realtec Account Union Securities	Nations Bank of Tennessee FBO Neal & Harwell PLC Trust Account
25	GILAK	2/28/00	\$1,200,000	Ninamir Account First Security Van Kasper	California Federal Bank FBO M&A West, Inc.
26	GILAK	3/1/00	\$1,000,000	Ninamir Account First Security Van Kasper	California Federal Bank FBO M&A West, Inc.
27	GILAK	3/8/00	\$75,000	Realtec Account Union Securities	Bank of the West FBO Mojtaba Karimabadi
28	GILAK	3/9/00	\$1,000,000	Ninamir Account First Security Van Kasper	California Federal Bank FBO M&A West, Inc.

29	ECK GILAK	3/21/00	\$35,000	Realtec Account Union Securities	Citibank New York, NY FBO Jeffrey D. Eck
30	GILAK	3/22/00	\$300,000	Ninamir Account First Security Van Kasper	California Federal Bank FBO Digital Bridge, Inc.
31	GILAK	3/22/00	\$8,350.38	Realtec Account Union Securities	Chase Manhattan Bank FBO Noorassa Rahimzadeh
32	GILAK	3/23/00	\$85,000	Global Capital Concepts Account Van Kasper & Co.	U.S. Bank of Nevada FBO Global Capital Concepts
33	ECK GILAK	3/27/00	\$10,000	Realtec Account Union Securities	Nations Bank of Tennessee FBO Neal & Harwell PLC Trust Account
34	GILAK	3/27/00	\$250,000	Realtec Account Union Securities	Exchange Bank (Sonoma) FBO Law Offices of Gregory B. Orton Client Trust Account
35	GILAK	3/27/00	\$5,808.16	Realtec Account Union Securities	Nations Bank, N.A. FBO Ziba Rahimzadeh
36	GILAK	3/28/00	\$225,000	Global Capital Concepts Account Van Kasper & Co.	U.S. Bank of Nevada FBO Global Capital Concepts
37	GILAK	3/29/00	\$90,000	Global Capital Concepts Account Van Kasper & Co.	U.S. Bank of Nevada FBO Global Capital Concepts
38	GILAK	3/29/00	\$150,000	Global Capital Concepts Account U.S. Bank Check No. 1055	U.S. Bank Account #153790331927
39	GILAK	3/31/00	\$12,200	Realtec Account Union Securities	Napa National Bank FBO Patina Estate & Fine Jewelry
40	GILAK	3/31/00	\$200,000	Realtec Account Union Securities	Washington Mutual FBO Yearbook Interactive
41	GILAK	4/6/00	\$75,000	Global Capital Concepts Account Van Kasper & Co.	U.S. Bank of Nevada FBO Global Capital Concepts
42	GILAK	4/7/00	\$30,000	Global Capital Concepts Account U.S. Bank Check No. 1059	Silverado Investments
43	ECK GILAK	4/11/00	\$186,855.54	Realtec Account Union Securities	Imperial Bank FBO North Bay Title Co.
44	GILAK	4/11/00	\$400,000	Realtec Account Union Securities	Imperial Bank FBO North American Title Co.

45	GILAK	4/12/00	\$85,000	Realtec Account Union Securities	Bank of America FBO Nasser Rahimzadeh
46	ECK GILAK	4/17/00	\$20,000	Realtec Account Union Securities	Chase Manhattan Bank FBO Toby Eck
47	GILAK	4/17/00	\$37,000	Global Capital Concepts Account U.S. Bank Check No. 1067	Van Kasper & Co.
48	GILAK	4/24/00	\$10,000	Realtec Account Union Securities	Exchange Bank (Sonoma) FBO Law Offices of Gregory B. Orton Client Trust Account
49	ECK GILAK	4/26/00	\$350,000	Realtec Account Union Securities	Imperial Bank FBO North Bay Title Company
50	ECK GILAK	5/9/00	\$350,000	Imperial Bank FBO North Bay Title Company	The Royal Bank of Scotland Jersey, Channel Islands FBO Realtec, Ltd.
51	ECK GILAK	6/12/00	\$10,000	Realtec Account Union Securities	Nations Bank of Tennessee FBO Neal & Harwell PLC Trust Account
52	GILAK	7/5/00	\$45,000	Realtec Account Union Securities	U.S. Bank FBO Global Capital Concepts, Inc.
53	GILAK	7/13/00	\$37,937	Realtec Account Union Securities	Bank of America FBO Veracom, Inc.
54	GILAK	7/17/00	\$100,000	Realtec Account Union Securities	U.S. Bank of Nevada FBO Global Capital Concepts, Inc.
55	GILAK	7/18/00	\$58,000	Global Capital Concepts Account U.S. Bank Check No. 1083	Administrative Systems Corp.
56	GILAK	8/9/00	\$50,000	Realtec Account Union Securities	U.S. Bank of Nevada FBO Global Capital Concepts, Inc.
57	GILAK	8/10/00	\$115,000	Realtec Account Union Securities	U.S. Bank of Nevada FBO Global Capital Concepts, Inc.
58	GILAK	8/25/00	\$100,000	Realtec Account Union Securities	U.S. Bank of Nevada FBO Global Capital Concepts, Inc.
59	GILAK	8/31/00	\$25,477	Global Capital Concepts Account U.S. Bank Check No. 1110	Hank Vanderkam
60	ECK GILAK	9/1/00	\$58,230	Global Capital Concepts Account U.S. Bank Check No. 1106	County of Marin For APN 100-300-03 The "Bluffs"

61	GILAK	9/14/00	\$21,300	Realtec Account Union Securities	Wells Fargo Bank FBO Marc Wayne Inc.
62	ECK GILAK	9/19/00	\$7,500	Realtec Account Union Securities	Nations Bank of Tennessee FBO Neal & Harwell PLC Trust Account
63	GILAK	9/27/00	\$10,045	Realtec Account Union Securities	Bank of America FBO Blackman Ltd.
64	GILAK	10/4/00	\$40,000	Realtec Account Union Securities	U.S. Bank of Nevada FBO Global Capital Concepts, Inc.
65	GILAK	10/8/00	\$90,000	Global Capital Concepts Account U.S. Bank Check No. 1133	Penson Financial
66	GILAK	10/10/00	\$125,000	Realtec Account Union Securities	U.S. Bank of Nevada FBO Global Capital Concepts, Inc.
67	GILAK	10/17/00	\$90,000	Realtec Account Union Securities	U.S. Bank of Nevada FBO Global Capital Concepts, Inc.
68	GILAK	10/23/00	\$55,000	Realtec Account Union Securities	U.S. Bank of Nevada FBO Global Capital Concepts, Inc.
69	ECK GILAK	10/30/00	\$50,000	Global Capital Concepts Account U.S. Bank Check No. 1133	North Bay Title Company For 5000 Acacia Way
70	ECK GILAK	11/3/00	\$1,170,000	Realtec Account Union Securities	North Bay Title Company

All in violation of Title 18, United States Code, Sections 1956(a)(1)(B) and 2.

COUNTS SEVENTY-ONE through EIGHTY-TWO: (18 U.S.C. §§ 1956(a)(1)(A)(i) and 2-Money Laundering; Aiding and Abetting)

27. The factual allegations contained in Paragraphs One through Six are realleged as if fully set forth here.

28. On or about the following dates, within the Northern District of California and elsewhere, the defendant

ZAHRA R. GILAK

and others, knowing that the property involved in a financial transaction represented the proceeds of some form of unlawful activity, did knowingly and intentionally conduct and attempt to conduct a financial transaction, namely, a transfer of stock, which in fact involved the proceeds of specified unlawful activity, namely, securities fraud, with the intent to promote the carrying on of specified unlawful activity, namely, securities fraud, as follows:

COUNT	DATE	AMOUNT	TRANSFERRED FROM	TRANSFERRED TO
71	3/29/00	5,000 DGBI shares	Prosper Limited Account Union Securities	J. Alexander Securities FBO Jerry Frear
72	3/29/00	40,000 DGBI shares	Prosper Limited Account Union Securities	J. Alexander Securities FBO John Duran
73	4/17/00	14,285 DGBI shares	Prosper Limited Account Union Securities	Union Securities FBO Gil Orin
74	5/22/00	50,000 DGBI shares	Prosper Limited Account Union Securities	Wexford Clearing FBO Suns Assoc. Group
75	5/22/00	15,000 DGBI shares	Prosper Limited Account Union Securities	Wexford Clearing FBO Suns Assoc. Group
76	5/23/00	15,000 DGBI shares	Prosper Limited Account Union Securities	Wexford Clearing FBO Suns Assoc. Group
77	5/23/00	15,000 DGBI shares	Prosper Limited Account Union Securities	Canaccord Capital Corp. FBO Robert Bruce Duncan
78	5/30/00	50,000 DGBI shares	Prosper Limited Account Union Securities	J. Alexander Securities FBO Silverado Investments, Inc.
79	7/7/00	250,000 DGBI shares	Prosper Limited Account Union Securities	Emmett A. Larkin FBO Global Capital Concepts, Inc.
80	7/19/00	100,000 DGBI shares	Prosper Limited Account Union Securities	Charles Schwab FBO Wizard Enterprises

81	9/6/00	15,000 MAWI shares	Global Capital Concepts Account Van Kasper & Company	Canaccord Capital Corp. FBO Robert Bruce Duncan
82	10/3/00	100,000 MAWI shares	Global Capital Concepts Account Van Kasper & Company	Basler Kantonalbank Basel, Switzerland

All in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 2.



1 FORFEITURE ALLEGATION: (18 U.S.C. § 982 -- Criminal Forfeiture)

2 29. The allegations contained in Counts Three through Eighty-Two of this Indictment are  
3 hereby realleged and incorporated herein for the purpose of alleging forfeiture pursuant to the  
4 provisions of Title 18, United States Code, Section 982(a)(1).

5 30. As a result of the offenses alleged in Counts Three through Eighty-Two,

6 F. THOMAS ECK, III and  
7 ZAHRA R. GILAK

8 shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any  
9 and all property that constitutes and is derived from proceeds traceable to the commission of said  
10 offenses, including but not limited to the following:

11 A. \$15,400,000 representing the amount of proceeds obtained as a result of said  
12 offenses, for which the defendants are jointly and severally liable;

13 B. Real property, including but not limited to:

14 i. Real property and improvements located at 5000 Acacia Way, Penngrove, Sonoma  
15 County, CA, 94951-9504 described more particularly as follows: Assessor's Parcel Number  
16 ("APN") 047-340-015-000.

17 ii. Real property and improvements located at 55 Ocean View Drive, Oceana Marin,  
18 Dillon Beach, Marin County, CA, described more particularly as follows: APN 100-300-03.

19 iii. Real property described as an unimproved lot known as 3385 Fulton Drive, Lot 19,  
20 Town of Fulton, Sonoma County, CA, APN 059-140-017.

21 C. Personal property, including but not limited to:

22 i. \$245,000 in proceeds from the sale of real property described as an unimproved lot,  
23 Los Olivos, Santa Rosa, Sonoma County, CA, APN 181-100-050.

24 ii. \$33,500 in jewelry purchased on March 31, 2000 and September 15, 2000 at Patina  
25 Estate & Fine Jewelry, St. Helena, CA, described more particularly as follows:

26 a. 14 karat white gold and diamond clasp and triple strand 9 mm cultured pearls;

27 b. Triple strand 6 ½-7 mm cultured pearl bracelet by Mikimoto with sterling  
28 clasp;

c. Platinum, diamond and South Sea pearl ring;

1 d. Circa 1920 English, rose gold and pearl earrings;

2 e. 16" strand of 7-7 ½ mm Mikimoto pearls; and

3 f. Platinum and diamond brooch by Mikimoto.

4 iii. \$10,045 in jewelry purchased on September 30, 2000 at Blackman, Ltd. Jewelers,  
5 3408-1 Via Oporto, Newport Beach, CA 92663, described more particularly as follows:

6 a. 18 karat yellow gold Carrera y Carrera necklace of two cherubs with  
7 diamonds and one ruby on detachable rope chain with Lapis Lazuli display base;

8 b. 18 karat yellow gold Carrera y Carrera ring with two dolphins in wave with  
9 .13 ct. total weight of diamonds;

10 c. 18 karat yellow gold Carrera y Carrera necklace of a cherub playing a flute;

11 d. 18 karat yellow gold Carrera y Carrera necklace of a hand holding one .18 ct.  
12 round brilliant cut diamond;

13 e. 18 karat yellow gold Yuri woven box chain tassel style earrings set with .80  
14 ct. total weight of diamonds.

15 31. If any of the property described herein as being subject to forfeiture, as a result of any  
16 act or omission of the defendants:

17 a. cannot be located upon the exercise of due diligence;

18 b. has been transferred or sold to or deposited with, a third person;

19 c. has been placed beyond the jurisdiction of the Court;

20 d. has been substantially diminished in value; or

21 e. has been commingled with other property which cannot be subdivided without  
22 difficulty;

23 then any and all interest F. THOMAS ECK, III and ZAHRA R. GILAK have in other property,  
24 including but not limited to:

25 a. real property described as an unimproved lot known as Lot 14, Diamond A  
26 Ranches, Sonoma County, CA, APN 064-260-014,  
27 shall be vested in the United States and forfeited to the United States pursuant to Title 18, United  
28 States Code, Section 982(b)(1), up to approximately \$15,400,000.

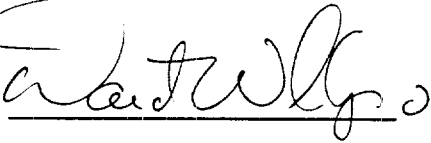
1 All in violation of Title 18, United States Code, Sections 982 and 1956(a)(1).

2  
3 DATED:

A TRUE BILL.

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6 FOREPERSON

7 DAVID W. SHAPIRO  
8 Acting United States Attorney

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11 (Approved as to form:

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AUSA CALDWELL

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